

Can a Basic Income Grant Improve the Quality of Life for the Poor in South Africa: An Analytical Review

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Abstract: *The relevance of this scientific problem is that there are numerous calls and arguments from civil society organisations, labour unions, progressive economists, and policy experts to the South African government regarding the introduction of basic income grant. This will help protect the unemployed from poverty and stimulate economic growth. Systematization of the literary sources and approaches for solving the problem of improving the quality of life of the poor indicates that the government (led by the African National Congress) since 1994 implemented a social security policy (the child support grant for women). At the same time, the government's position regarding the feasibility of introducing of basic income grant as a tool for economic stimulation has changed. The African National Congress disagrees with the need for basic income grant as a tool for poverty alleviation and economic growth. The main purpose of the research is the analysis of the prerequisites for the change in the position of the African National Congress regarding the feasibility of introducing basic income grant: basic income grant is a tool for stimulating economic growth and overcoming poverty for most of the disadvantaged population of South Africa, or a means for the government to preserve its positions, which are weakening among the South African electorate. The paper presents the results of an empirical analysis, which proved that basic income grant will contribute to the increase of the national tax base as those not earning an income can start buying and selling goods and be taxed. At the same time, at the initial stage, the introduction of basic income grant will lead to an increase in the level of income taxation of the employed population. Analytical methods of scientific literature analysis became the methodical tools of the conducted research. The research empirically confirms and theoretically proves that the introduction of basic income grant could stimulate the economy by ensuring that the unemployed become economic participants by having disposable cash to spend and start business activities.*

Keywords: basic income grant, disposable income, job creation, socio-economic stimulus, social security, South Africa, unemployment.

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Introduction

The resurgent debate in South Africa on the feasibility of a basic income grant (BIG) as a socio-economic strategy or poverty alleviation instrument to benefit the unemployed and the poor and stimulate economic growth has gained momentum (South African Human Rights Commission, 2018). According to Pulkka (2017:1), a basic income grant is defined as “an income unconditionally granted to all on an individual basis, without a means test or work requirement”. A basic income grant is perceived to be a possible socio-economic stimulus instrument to improve the quality of life for poor and unemployed South Africans whose democratic dividends of the post-apartheid era have failed to materialize during the governance of the African National Congress (ANC). Thus, a basic income grant can provide much-needed disposable cash for the poor and unemployed to participate in sustainable economic activities through buying consumables; investing in social clubs and stokvels by clubbing together to raise the capital outlay for small businesses; and purchasing goods for re-selling, thus creating their jobs (Ford, 2015; Reed & Lansely, 2016; Santens, 2016). Currently, the future looks bleak for many South Africans with the latest official unemployment figures at 34.9 percent, and youth unemployment hovering above 65 percent as per the national labour survey in the third quarter of 2021 (Statistics South Africa, 2021). The social tragedy of unemployment has rendered the governing ANC impotent in crafting realistic strategies to uproot the poor from poverty, despite its lofty ideal of ‘there shall be work for all as espoused in the Freedom Charter (African National Congress, 1994).

There seems to be policy inertia from the ANC government to decisively deal with South Africa’s unemployment challenges despite the ‘New Dawn’ promise by Ramaphosa’s administration to build investment platforms toward job creation and the improvement of socio-economic conditions in South Africa (Olaitan, Issah, & Wayi, 2021). The South African unemployment rate increased from 27.1 percent in January 2019 to 35.5 percent in September 2021 (Statistics South Africa, 2021). The youth unemployment rate in South Africa is one of the highest in the world, which currently stands at 74.8 percent of youth in the age category of 15 and 24 years, mainly African youth in townships, shanty towns and rural areas (Zwane, 2021). An unintended consequence of the vexed socio-economic challenges of South Africa’s unemployment is scape-goating, afro-phobic tendencies, and attitudes by black South Africans against their fellow African counterparts whom they accuse of ‘stealing’ their menial jobs in restaurants, private security services and petrol stations. Some observers attribute poverty and unemployment as being amongst the causes of the July uprising in KwaZulu-Natal and the Gauteng provinces, where shopping malls and industrial centres were looted of goods and appliances (Ikoyive, 2022; Mlaba, 2021). Therefore, this study sought to analyze whether a basic income grant can improve the quality of life for the poor in South Africa.

The paper is structured as follows: Section 1 below poses analytical questions about the feasibility and sustainability of a basic income grant (BIG) in South Africa in the post-Covid-19 period. Section 2 reviews the factors influencing basic income grants in Europe, South Korea and Namibia. Section 3 explores the determinants that drive social security and welfare policies in South Africa and the unemployment challenges. Section 4 explains the research methodology. Section 5 provides the findings and discussion from the thematic analysis, and the last section provides conclusions and recommendations.

Research Questions. The following questions guide the paper in exploring the feasibility of implementing a basic income grant (BIG) in South Africa during the Covid-19 recovery period:

- How can the South African government implement a basic income grant in the current period of high fiscal indebtedness?
- How feasible is a basic income grant in South Africa to stimulate the economy and create jobs for unemployed citizens?
- Which factors may influence the governing African National Congress to reconsider a basic income grant as a poverty alleviation tool?
- How sustainable is the basic income grant in the current period of economic stagnation and budgetary cuts in South Africa?

Literature Review

The Theoretical Background to the Basic Income Grant. Pecchi and Piga (2010) posit that the Keynesian model denotes how Neo-classical Economic theory is subservient to Adam Smith’s Market Economic

theory and has major implications for the socio-economic outcomes in continental Europe. According to Neo-classical Economic theory, unemployment can be reduced if workers reduce their wage levels, thereby creating labour market opportunities to be hired, like during the Great Depression period in the United States of America (USA) and Europe in 1929 (Frank, 2008; Lansely & Reed, 2013). Contrary to the Neo-liberal Economic theory, the Keynesian analytical concept emphasizes a multiplier effect on the economy as wage earners spend income to stimulate economic growth and reverse the unemployment trajectory (Crocker, 2015; Keynes, 1936). It means that the availability of income to a populace leads to human consumption, thus creating demands for goods and services, which consequentially makes employment and job-creation opportunities. According to Keynes (1936) and later Piketty (2014), Keynesian Wage theory postulates that wages should not be tied to production costs but analyzed as a driver of effective demand for goods and services because the lack of lower wages reduces demand and leads to unemployment. It is how the economic system of a country should flow in totality, whereby the basic income grant in the hands of the unemployed can stimulate economic growth, leading to higher levels of economic participation through the buying, selling and taxation of consumables. When unemployed people lack the means, resources and support from the government to participate in economic activities, they constitute wastage of human capital and stifle economic stimulation and the growth trajectory. The Keynesian economic model is guided by the distributive ability of government, where demand drives supply through spending rather than saving and lowering taxes during a recession to create jobs and boost the buying power of consumers (Chen, 2021).

Crocker (2015) articulates that government should not focus solely on balancing budgets but should create opportunities and platforms for spending deficits that can result in employment and outputs to expand the tax base and generate "future government revenue surpluses". Despite its ability to put monetary allocation through fiscal expenditure in the hands of the unemployed, the Keynes' management model has been criticized by neo-classical economists for encouraging unfounded government expenditure but resonated with macroeconomic conditions in developed countries like the USA during Roosevelt's New Deal policy.

Determinants of the Basic Income Policy in South Korea. South Korea was chosen for comparative review in the inquiry because, like South Africa, it experienced an economic downturn during the 2008 economic crisis but adopted a distributive economic approach to empower its citizens, unlike South Africa (Baumann & Gallagher, 2013). South Korea implemented some economic measures such as capital account regulation to limit capital outflows during the 2008 economic crisis to safeguard its fiscal structure and redistribute financial support to its citizens for them to be self-sufficient (Prates & Fritz, 2016). On the contrary, South Africa took a different macroeconomic approach by liberalizing regulations that triggered capital outflows and left its vulnerable citizens poorer (Baumann & Gallagher, 2013). Seung-Hun (2007) argues that South Korea can provide valuable lessons to South Africa about how a developing country can adopt state intervention measures to promote sustained economic development for its citizens. Progressive governments in developed countries like South Korea and developing countries such as South Africa should design fiscal policies to cater to basic income as a form of distributive income through progressive or flat income taxation of the haves and the employed (Seong-kon, 2021). Such distributive logic from a government can assist the unemployed who experience economic hardships to eventually be self-sufficient and escape the poverty trap (Parijs, 2004). Currently, the World Bank has identified South Africa as the most unequal country in the world due to the socio-economic status of its citizens, which presents an opportunity to implement a basic income grant as a lever against higher levels of inequality (World Bank, 2022).

Pateman (2004) cautions that during the absence of a basic income policy or grant in South Korea, employers gained an unfair advantage in hiring and firing because workers were at their mercy as they could not resign to find relevant jobs despite being subjected to unjust working conditions and labour exploitation. Women can also be treated with respect, have integrity, and be insulated from gender-based violence in households as they can derive economic value and are regarded as valuable members of society. Park and Mah (2011) criticize South Korea for initially not taking advantage of rapid economic growth in the 1960s to implement a basic income grant. It later experienced an economic crisis that widened the gap between the rich and poor and polarised society. South Korea learned from its past mistakes by implementing experimental projects in some areas and provinces to analyze the feasibility of implementing a basic income grant on a national scale (Korean Ministry of Employment of Labor, 2017; Trading Economics, 2018). A case in point is in Daejeon City through the 'Tio Su-Ki' basic income project that is conducted by a group of millennials (Kim & Mah, 2021).

According to Kim (2018), this basic income grant project is conceptualized around 200 volunteers who each donate 6 470 Korean won (equivalent to US\$6) totals 500 000 Korean won (US\$450), which is given per month to randomly selected unemployed individuals for a consecutive six months. Interviews that were later conducted with randomly selected unemployed individuals revealed that a basic income grant provided financial support for those who were not economically sustainable because it allowed them to spend more time and money on cultural activities. The Young Adults Dividends Program in Seongnam City is another example of how a basic income policy can be feasibly implemented in South Korea, as it is driven by the idea of alleviating high living costs for the unemployed (Kim & Mah, 2021).

Factors that Influence the Basic Income Grant in Namibia. Namibia and South Africa share similarities in their political transition from the apartheid system to democratization, even though Namibia's political settlement was externally influenced, whereas South Africa's was an internally negotiated settlement (Dercon, 2006; Maltzahn & Durrheim, 2008). According to the United Nations Development Programme (UNDP, 2005), Namibia and South Africa have similar Human Development Index (HDI) ranks and values at 125 (rank) and 0.627 (value) for Namibia and 120 (rank) and 0.658 (value) for South Africa. On the contrary, South Africa has higher Gross Domestic Product (GDP) measures than Namibia, which means that South Africa is economically better off to experiment with BIG, but it did not (Maltzahn & Durrheim, 2008). Haupt (2006) notes that South Africa and Namibia are comparatively the wealthiest in the Southern African Development Community (SADC) region compared to their counterparts such as Lesotho, Swaziland and Zimbabwe.

However, Namibia, unlike South Africa, has started to model and pilot basic income grant (BIG) projects whereby the government partnered with civil society and church organizations to generate sustainable livelihoods for the poor and unemployed (Kameeta et al., 2007; Tjaronda, 2007). According to the Basic Income Grant Coalition (2009), a BIG pilot project was implemented in the Omitara/Otjivero settlement since it is impractical to mine due to large sandstones by giving 930 residents below the age of 60 N\$100 to alleviate poverty, who then use the money to start sustainable livelihood projects and guide national policy-makers. Some liberal parties and newspapers opposition deemed a basic income grant (BIG) as encouraging laziness and not making economic sense (Isaacs, 2008). However, the basic income grant was supported by former Prime Minister Hage Geingob and the proposal was adopted by the United Nations' 45th session on employment, aging, disability and youth, which viewed the proposal as similar to Brazil's bolsa familia grant for alleviating poverty and empowering the youth towards sustainable livelihoods (Tjaronda, 2007; United Nations, 2007).

Most village people in the Omitara/Otjivero settlement viewed a basic income grant positively but warned against the misuse of money (Polamaki, 2010). According to Osterkamp (2008:21), the piloted basic income grant project in Namibia achieved positive human development indicators in various areas, such as a drop in child malnutrition rates, rising employment, and an increase in household income. In addition to the achievement of the millennium development goals, BIG in Namibia empowered young women by decreasing the rate of transactional sex; increasing payments in school and clinic fees; and reduced poverty and related crimes (Polamaki, 2010: 58). Despite the noted achievements of the BIG pilot project in Namibia about its feasibility and serious lobbying from the BIG Coalition, the Namibian government resisted its implementation on a national scale in the post-2009 elections (Shejavali, 2009). Polamaki (2010) asserts that citizens and some civil society organizations widely supported the basic income grant proposal in Namibia as it was deemed feasible to alleviate poverty. However, the Namibian government was not in favour of its implementation as they argued that it posed a serious financial burden to the national fiscus.

Social Security, Welfare, and Unemployment in South Africa. Over the past three decades, South African society has been affected by a developmental adjustment of the Social Development department (Barchiesi, 2007). The government established a committee of inquiry, the Taylor Committee, to investigate the viability of basic human needs (Taylor Report, 2002). The Taylor Committee supported the idea of a basic income grant (BIG) by adding pressure on the government's 2003 Growth and Development Summit agenda. The resolutions of the ANC's 2002 National Policy Conference supported the implementation of the Taylor Committee's comprehensive social protection framework, but they never specifically mentioned the BIG. Instead, they placed significant emphasis on creating short-term employment in public works programs for the sake of 'pride and self-reliance of communities' (Patel, 2014). This policy includes the social grant(s), which do not meet the living standard of the citizens. Historically, the government's fiscus has been biased towards benefitting the white race group through social assistance schemes.

In the post-apartheid dispensation, the government introduced social assistance programs to deliver social security for some South Africans, such as women, children, indigents and pensioners. The aim of the government in applying social assistance was to eliminate poverty and lowering socio-economic challenges related to unemployment levels as indicated in section 27 (1) c of the Constitution of South Africa (Republic of South Africa, 1996). The White Paper for Social Welfare was released for comment in 1995 and then published and revised in August 1997. This White Paper on Social Welfare influenced the World Summit for Social Development held in 1995 (Department of Welfare, 1997). The main aim of the summit was to provide developmental social welfare to communities. Economic development was part of the agenda as it is about the allocation of resources and encourages the introduction of social programs that contribute mainly to the alleviation of poverty (Patel, 2014).

The Constitution and the 1994 Reconstruction and Development Programme (RDP) address social rights such as education, housing, healthcare and welfare for citizens (Republic of South Africa, 1996; Wessels, 1999). However, unemployment in South Africa defines a lack of social recognition and social protection failure for most black South African citizens (South African Presidency, 1994). According to Statistics South Africa, for 2021, the unemployment rate was 34.09%, which increased when compared to 27 to 28% figures between the years 2018 and 2021 (Statistics South Africa, 2021). The 28.74% also included unemployed adults who did not search for jobs (Statistics South Africa, 2021). Thus, Folarin (2021) states that the social security system meant to cater to all the poor is not as far-reaching and accessible as required.

Consequently, the policies have proved to be insufficient in thoroughly addressing the problem of poverty. As indicated, the current form of South Africa’s Social Security System is not reaching out to as many poor people as it should; hence advocates of BIG have proposed the need to introduce a basic income grant. The BIG is a monthly payment to every unemployed South African citizen, and it does not replace other entitlements such as free social benefits, healthcare and housing (Standing and Samson, 2003). There is hope that BIG will provide liveable income; reduce extreme poverty; stimulate small business development activities amongst the youth and the unemployed in townships and informal settlements; and decrease petty crimes such as robbery. Figure 1 below illustrates an exponential increase in unemployment in South Africa from 2019 and during the Covid-19 pandemic from 2020 to 2021.



Figure 1. Patterns of Unemployment in South Africa, 2019-2021

Source: Statistics South Africa, 2021

Debates about the Impact of a Basic Income grant on the Fiscus in South Africa. Various think-tanks and non-governmental organizations (NGOs) adopt different positions about whether the South African fiscus can afford to fund a basic income grant model. The Centre for Development Enterprise (CDE) (2022) insists that the South African fiscus is overstretched and in a dreadful position, and it will be impossible to afford the R 300 billion price tag required for a basic income grant (BIG). Bernstein (2022) from the CDE argues against implementing BIG because it will cause deterioration in South Africa’s economic prospects and undermine public finance due to irresponsible borrowing patterns. Bernstein (2022) further cautions against raising taxes to fund BIG as she indicates that such an economic approach will affect the borrowing

status of South Africa, slow economic growth prospects, reduce the country's creditworthiness, and raise interest rates. Inversely, proponents of BIG, like the Institute for Economic Justice (IEJ) (Sunday Times, 2022), propagate for BIG implementation in South Africa as policy option to "combat poverty and inequality". The IEJ argues that BIG should be extended to "all South Africans aged between 18-59 at the minimum of the food poverty line, which will later rise to reach the upper bound poverty-line" (Institute of Economic Justice, 2022). The IEJ supports BIG as a measure to attain social justice by taxing the 10 percent of wealthy South Africans, who constitute 3.5 million people, with each having a disposable income of R 25 000 per month (Sunday Times, 2022). Bernstein (2022) breaks down the cost of BIG in its initial phase to be at R 280 billion and later escalate to R 600 billion to reach the "upper bound poverty line", which will add to inflation and increase taxes by about 40 percent.

Methodology

The paper adopted a qualitative approach that used document analysis as a data collection method or technique (Bowen, 2009; Creswell, 2013). Thus, a plethora of databases was used to gather data, and a total of 69 articles were used to address the objectives of this study. Specifically, this was done by collating, reviewing and examining journal and newspaper articles, governments' policies, and strategies on the factors influencing a basic income grant, their feasibility, and challenges in its implementation across different countries of the world. According to Rapley (2007), document analysis is an appropriate data collection method as it is a systematic procedure for reviewing and evaluating printed and electronic documents. Document analysis of scholarly articles, policies, and program documents enables theory building rather than theory testing as it unpacks literature to identify the strategies, factors and challenges at play during implementing a basic income grant (Creswell, 2013). Numerous documents are corroborated through appraisal to identify relevant themes that assist in answering research questions and arriving at findings, conclusions and recommendations. Moreover, Thematic analysis is employed to derive relevant themes from analytical documents. Thematic analysis was employed to collate and reduce data from academic and official documents and journal articles. The authors reviewed the literature to generate themes that examine different ideas and constructs to answer questions about the factors influencing a basic income grant in South Africa, its feasibility and sustainability in the current period post the Covid-19 pandemic. Themes were generated inductively through a bottom-up approach without the restraint imposed by structured methodologies. The six phases of thematic analysis employed to derive the final themes were familiarisation with the data, coding, searching for themes, reviewing themes, defining and naming themes, and writing up (Braun & Clarke, 2013).

Results

The four themes that addressed questions about the factors, feasibility, and sustainability of a basic income grant in South Africa to improve the quality of the lives of poor citizens are: *policy confusion around the basic income grant; economic support and sustainability; an increased tax base; higher taxation for the employed*. These four themes are explored and discussed in the next section.

Policy Confusion around the Basic Income Grant in South Africa. According to Cedras and Kuye (2013), a basic income grant in South Africa has become a policy contest between members of the governing party based on their ideological persuasions. Those who are from the left side of the spectrum, like the Congress of South African Trade Unions (COSATU) and the South African Communist Party (SACP) who spearheaded the adoption of the Reconstruction and Development Programme (RDP) as a policy measure to tackle poverty challenges in the post-1994 democratic period, support the implementation of a basic income grant (Taylor Committee, 2002). Their main argument is anchored in the 1996 Constitution of the Republic of South Africa (Republic of South Africa, 1996), specifically about the rights-based approach that extended social protection rights to most blacks, as they emphasize that the approach creates favourable conditions for the implementation of BIG. The rights-based approach to BIG also resonates with the view of the South African Human Rights Commission (SAHRC, 2018) that a basic income grant payment of R 1 584 to South African citizens per month can mitigate the effects of unemployment; reduce the Gini Coefficient by 0.05 points and reduce poverty by 10.8 percent. It is also significant to emphasize that BIG can contribute to lowering tensions between poor South Africans and foreign nationals who are being scapegoated for 'stealing' South Africans' menial jobs in the informal services sectors.

According to Lavers and Hickey (2016), social protection measures like BIG within the governing ANC are influenced more by political elites who adopted the neo-liberal economic approach as part of the macroeconomic strategy. Khan (2010) concurs by elaborating how the democratic negotiated settlement during the Congress of Democratic South Africa (CODESA) talks distributed power to new black political elites who used policy-making processes and formal institutions to influence the distribution of resources and decision-making. John and Putzel (2009) accentuate that the South African political settlement, like in some African countries (Namibia and Zimbabwe), is a product of bargaining and negotiations between white and black elites who constrained institutional and developmental changes. It is because, by its nature, South Africa's political settlement was based on clientelism, which accommodates and integrates the material interests of narrow political elites (van der Walle, 2007). The implication is that accepting a basic income grant to be a poverty alleviation instrument in South Africa will receive push-back from liberal economic mechanisms for resource distribution, just like other social protection schemes. The ANC government, by being lukewarm towards the implementation of BIG, is deviating from its original social protection and development policy as the RDP indicated that the gradual phasing-in was possible to reverse skewed social and economic development based on race from the apartheid system (Republic of South Africa, 1994). The South African Constitution has also factored socio-economic rights to be justifiable, especially for individuals and their dependants who cannot afford to provide for themselves (Republic of South Africa, 1996).

Economic Support and Sustainability. The economic sustainability of a basic income policy or grant lies in its ability to contribute to human development as the poor and unemployed who have been marginalized and on the side-line of economic activities are re-invigorated to become active participants by spending monetary grants and starting their business ventures, which might lead to job creation for the youth (Satumba, Bayat, & Mohamed, 2017; Seekings & Matisonn, 2012). A streamlined basic income grant can simplify complexities in the current social security and welfare system, thus resulting in financial sustainability to reduce higher administrative costs, bureaucratic red-tape, and corruption in managing the current social security model in South Africa. Henderson and Quiggin (2019) share COSATU's posture that a basic income grant in South Africa can be sustained through the creation of a wealth tax for those who have benefitted during the apartheid period as an indication of social solidarity.

Another measure for ensuring that BIG becomes sustainable is to exercise fiscal prudence to eliminate any unnecessary wastage of resources through mismanagement and corruption in the public service. The Auditor-General of South Africa reported systemic weaknesses in financial management and internal controls across government departments and state entities, with estimated financial losses of R11,9 billion from 2020 to 2021 (Auditor-General of South Africa, 2021). If these financial irregularities could have been avoided through prudent fiscal discipline, South Africa can divert money to kick-start a basic income grant, which demonstrates that the country is not poor but suffering from fiscal mismanagement. Sachs (2022) extrapolates on the socio-economic benefits of BIG in South Africa by alluding to the material extension of economic opportunities, and the expansion of human capabilities for the unemployed and poor South Africans.

Increased Tax Base. A basic income grant might create an opportunity to increase the tax base for the South African government, which might lead to its sustainability. The tax base can increase when most of the previously economically inactive citizens due to unemployment become economically active as they receive a monetary grant which enables them to buy goods and services, and they are taxed for consumables. Some of the recipients of BIG may form *stokvel*¹, social clubs or cooperatives whereby they contribute some of their monetary grants to be used for business start-ups. Currently, most unemployed people in the townships and informal settlements indicate that they have some business ideas but are disadvantaged because banks and other financial institutions are not willing to loan them money for business start-ups due to a lack of surety. In the past, during the apartheid era, black people used to establish self-help informal and community entities like *stokvels* to contribute money to support each other. The establishment of the black taxi industry and other informal businesses like *taverns*² and *tuckshops*³ in South African townships and rural areas are examples of how communities supported each other to start own businesses.

¹ 'Stokvel' is a word derived from the Afrikaans language, used mainly in South African townships to describe informal gatherings where people contribute money and sell food to support each other to start small business ventures.

² An informal place in the township where people socialize and buy beer to drink.

³ 'Tuckshop' is an informal shop in the township and rural areas of South Africa.

However, some of these self-help initiatives were decimated when most of the people lost jobs during the numerous economic downturns. To close some gaps like the misuse of monetary grants, the government can partner with financial and professional institutions to appoint project managers and accountants and utilize abandoned business centres in the townships to guide, coach and train unemployed citizens on ensuring the viability and sustainability of their business start-ups to contribute tax revenue to the country. The possibility of BIG contributions to the increased tax base in South Africa is informed by the Tax Foundation (2022), which observed how different tax revenue streams can assist those who are highly taxed as more than 60 percent of taxes can come from the consumption of goods and services when unemployed citizens of a country become economically active.

Higher Taxation for the Employed. While the basic income grant may seem unaffordable in the long run, it can contribute to an increased tax base as the unemployed and poor South Africans become economically active by buying consumables and starting small businesses that can be taxed. In the short term, it can result in higher taxation for the employed to sustain its nascent introduction. Its unfavorable consequences may be dissatisfaction amongst those overburdened by taxation leading to a tax revolt, financial flight, and the concealment of additional income. The South African government should think strategically to ensure that BIG delivers the results of assisting the poor and unemployed to become sustainable. In the long term, its funding model can be reduced when people derive livelihood opportunities and do not solely depend on it. It can be achieved if the government supports and empowers the poor and unemployed in the townships, rural areas, and informal settlements to succeed in business ventures. One approach can be for the South African government to set aside a certain percentage of national, provincial and local procurement budgets and state entities' budgets to buy goods and services from start-up business ventures to build capital and become competitive. According to Standing (2004), the Taylor Committee identified that social welfare grants cost the South African government around 21 percent of its total spending, whereby R24 billion can be reclaimed from higher earners through an income tax adjustment system to marginal tax rates and income thresholds, thus clawing back grants paid to the richer half of the population. COSATU's 7th Congress argued for a solidarity levy in the form of a 17.5 percent surcharge on income tax for the top two quintiles in South Africa, which will ensure that the cost of BIG should "fall on the rich who continuously benefit from the South African economy" (Nattrass, 2000).

Conclusions

An analytical discourse explored the feasibility and sustainability of a basic income grant in the current post-Covid-19 period in South Africa, characterized by high poverty levels, unemployment and a huge inequality gap between the haves and have-nots. There is a resurgent debate on the necessity of a basic income grant to be a mediating tool to address the challenging socio-economic conditions in South Africa. It can ensure that the poor and unemployed receive monetary grants for their upkeep; generate sustainable livelihoods, and even create business opportunities for themselves and their families. The debates about the feasibility and sustainability of basic social grants are not new but have shaped how some European, Asian and sub-Saharan African countries design their social security and welfare policies by adopting numerous macro-economic frameworks and models. A basic income grant can also reduce tensions between black South Africans and foreign nationals as the former can use these monetary grants to start their businesses rather than accusing foreign nationals of stealing their jobs.

The findings from the analytic review revealed numerous themes to support the implementation of a basic income grant in South Africa. The policy confusion amongst the ANC-led government is due to its being a broad church that accommodates divergent interests from different ideological leanings around the provision of economic support for the poor that can result in human development capabilities and increments in the government's tax base, which makes it possible for the government to sustain it. However, there is also a greater awareness that a basic income grant can lead to higher taxation for the employed and higher wage earners in the short- to medium-term. The increment in tax for the wealthy and employed should be viewed as an extension of social solidarity to the poor and unemployed that can contribute to a culture of Ubuntu, national compassion, and unity. Based on the findings, numerous recommendations are advanced to solidify the argument for introducing a basic income grant to alleviate the current challenging socio-economic conditions in South Africa. The governing ANC should live up to its electoral promise of building a better life for all, including the poor, who view basic income grants as improving their quality of life. A basic income grant can empower the poor and unemployed to increase economic participation as the money can be recouped through a levy known as "social security tax" (SST). Therefore, the National Treasury should also consider introducing a social security tax on high-income earners and rich South Africans to fund the

initial implementation of a basic income grant. Through the National Treasury, the South African government should strengthen fiscal control and accountability to close leakages from corruption in government departments and entities so that these resources can be diverted towards introducing a basic income grant as a socio-economic improvement measure. Furthermore, the introduction of a basic income grant can improve the status of women who are normally subjected to gender-based violence because they depend on men, but as they can use BIG to earn an income to improve their quality of life, be independent, and be treated with respect. Furthermore, there is a need to consider introducing public works programs to provide social protection to citizens through their participation in different projects. These can be implemented at a local government level.

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